

Customer Analytics Executive Briefing:

Keeping your loyal customers satisfied and your satisfied customers loyal



County Hall Marriott
19th September 2013

What brings you here today?

- Changing Customer demands?
- Networking?
- Multi-channel \ on-line demands?
- Costs to acquire new customers?
- Understanding Big Data?
- Customers churning too quickly?
- Average revenue per customer too low or falling?

Eighty percent of CEOs believe they deliver a superior customer experience, but only 8% of their customers agree

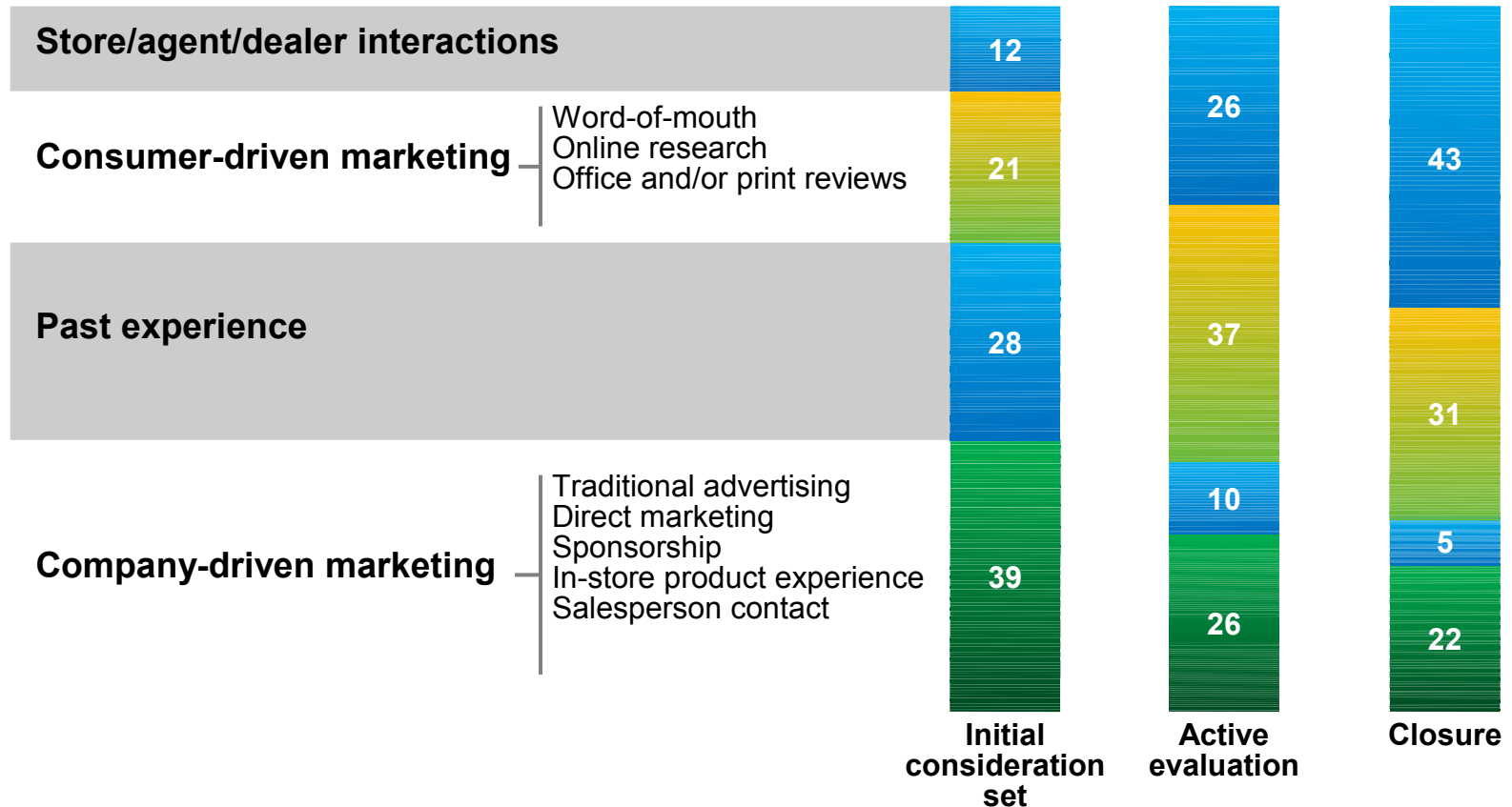
In the UK we spend £2k per person online – the highest in the world

10% of retail is on-line today – it will be 25% in the next 10 years

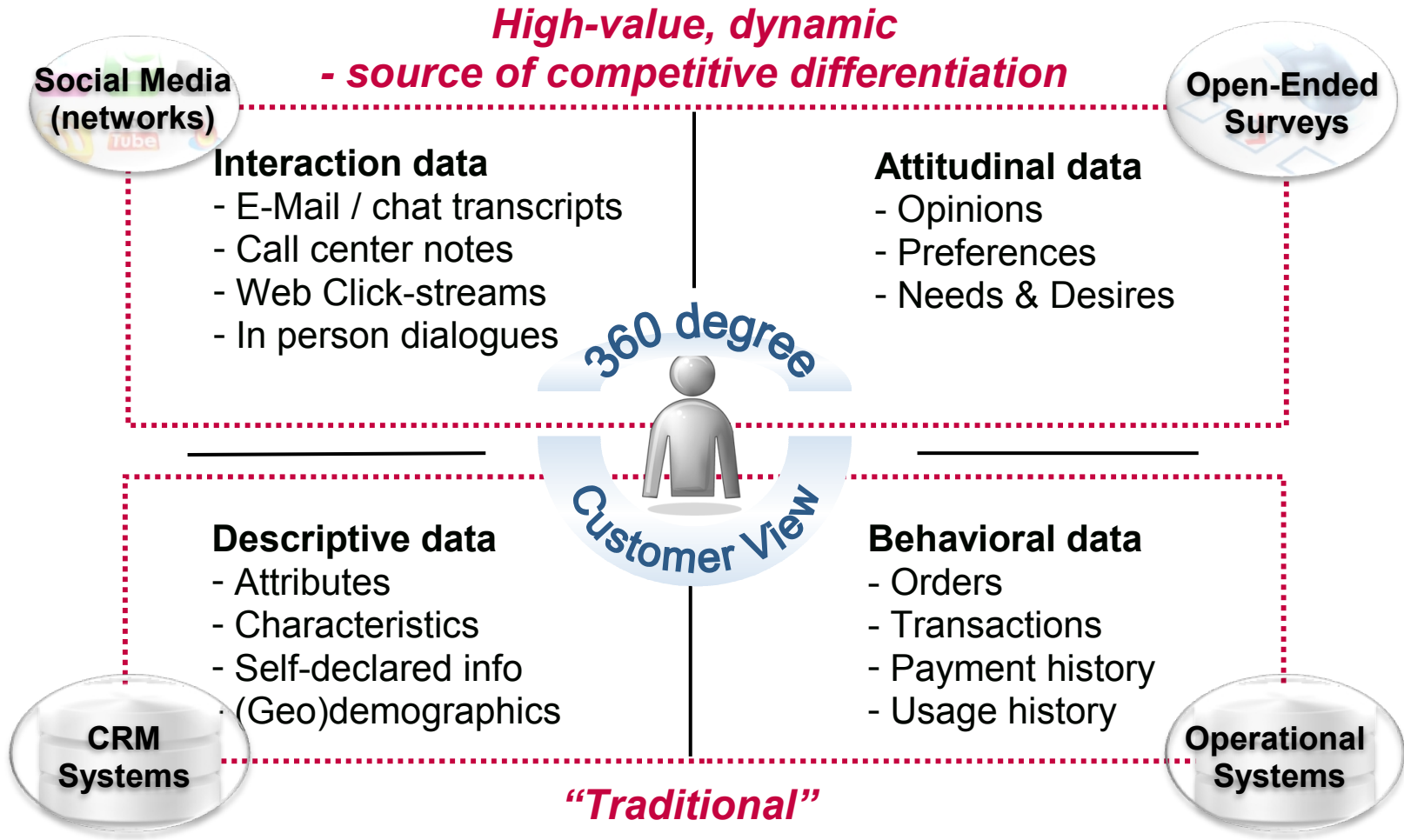
Today's customers want to be treated as individuals. They expect personalised products and services that meet their unique needs.

Reaching Customers in the right way...
at the Time to Most Influence Purchasing

Most influential touch points by stage of consumer decision journey, for competitors and new customers, % of effectiveness



An Overwhelming Amount of Data to Process



Agenda

09:00 Welcome

Robert Douglas, Business Unit Executive - IBM Business Analytics

09:15 Business Analytics & the Rise of the Digital CMO

(or why I am hanging up my tap shoes & investing in analytics instead)

Caroline Taylor, European VP of Marketing & Communication – IBM Software Group

10:00 Break & Networking

10:15 The Changing Face of Data in Trader Media Group

Richard Walker, Market Intelligence Director – Trader Media Group

11:00 IBM Presentation – Social Media Analytics

Graham Martin, Specialist IT Consultant – IBM Business Analytics

11:45 Wrap up & Close

Robert Douglas, Business Unit Executive – IBM Business Analytics

12:00 Lunch

Caroline Taylor
European VP of Marketing & Communications – IBM Software Group
19th September 2013

Business Analytics & the Rise of the Digital CMO (or why I'm hanging up my tap shoes and investing in analytics instead)



▶ How life is becoming more digital than ever

67% of global consumers want to use their mobile device to complete retail transactions

67%



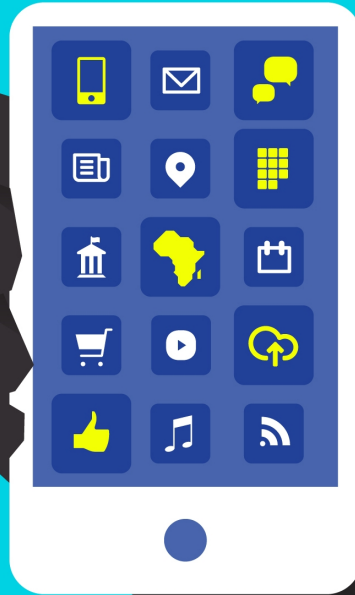
18% of Africa's GDP is expected to be handled through mobile money transfers by 2015

18%



1 out of every 7 minutes spent online is on Facebook

1:7



40%

40% of people socialize more online than they do face-to-face



80%

80% of new apps will be distributed or deployed via the cloud



1/3

1/3 of consumer data will be stored and accessed in the cloud by 2016

▶ How leaders are using technology to better know and reach their customers

73%

73% of CEOs are prioritizing investments in customer insights



82%

82% of CMOs plan to increase the use of social media



74%

74% of CIOs say mobile solutions are part of their vision for increasing competitiveness



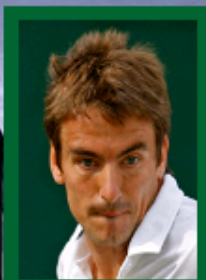


WIMBLEDON

24 JUNE - 7 JULY 2013

GENTLEMEN'S SINGLES - CENTRE COURT - THIRD ROUND
A.Murray currently leads T.Robredo by 1 set to love

SLAMTRACKER
SMARTER ANALYTICS BY



87%

CHALLENGES
POSITIVE SENTIMENT



T.ROBREDO [32]

0 2 0

SERVE SPEED: 107 MPH

POINTS 1 2 3 4 5



A.MURRAY [2]

0 6 0

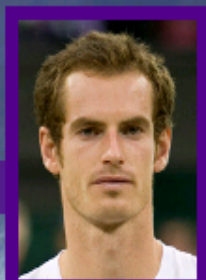
MATCH DURATION

34

TOTAL POINTS WON

21

30



83%

CHALLENGES
POSITIVE SENTIMENT

FOLLOW

1 2 3 4 5

MATCH

ANALYSE

ALL COURTS

ROBREDO'S KEYS TO THE MATCH



BETWEEN 4 & 9



1ST SERVES



ACES

MURRAY'S KEYS TO THE MATCH



BETWEEN 4 & 9



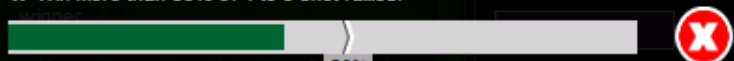
1ST SERVES



RETURN POINTS

Robredo's Keys to the match

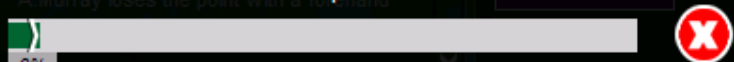
1. Win more than 56% of 4 to 9 shot rallies.



2. Win more than 70% of points on first serve.



3. Win more than 6% of first serve points with an ace.



Murray's Keys to the match

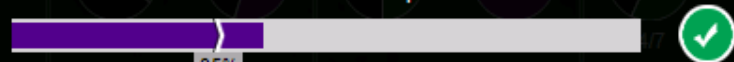
1. Win more than 52% of 4 to 9 shot rallies.



2. Win more than 75% of points on first serve.



3. Win more than 35% of first serve return points.



MPH

KMH

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LIVE @ WIMBLEDON
RADIO >



Gentlemen's final by the numbers

Andy Murray defeated Novak Djokovic 6-4, 7-5, 6-4.

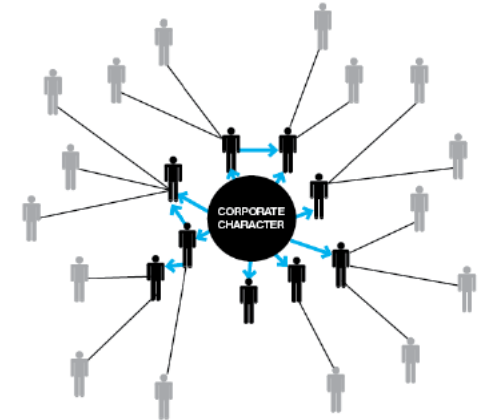
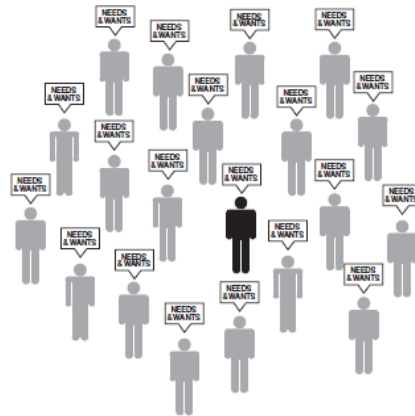
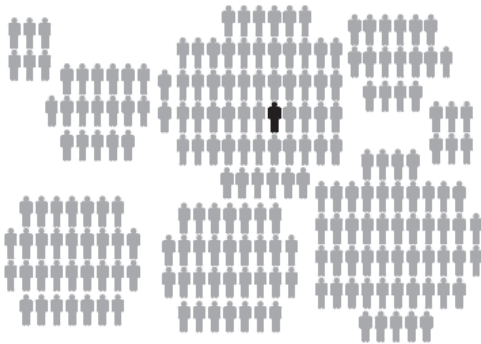
Murray				Djokovic				
Set 1	Set 2	Set 3	Match	Match	Set 1	Set 2	Set 3	
6	5	10	Unforced Errors	21	40	17	12	11
17	11	8	Winners	36	31	6	11	14
63%	73%	54%	1st serves in play	64%	65%	60%	62%	75%
84%	72%	58%	1st serve points won	72%	59%	54%	70%	52%
36%	36%	50%	2nd serve points won	42%	41%	44%	43%	29%
2/8	2/5	3/4	break points converted	7/17	4/13	1/5	1/3	2/5
85%	77%	89%	returns back in play	83%	74%	71%	68%	83%
5	4	0	aces	9	4	1	1	2
2	0	0	double faults	2	4	1	2	1

**Last game - 14 points - 4 match points - 3 break points.
Murray led 40-0, had 3 match points - Djokovic saved all 3 and then
had 3 break points before Murray got his final match point.**

Marketers have always been responsible for *knowing* the customer

Marketers have always been responsible for defining *what* to market, and *how* to market it

Marketers have always protected the *brand promise*



Understanding each customer as an *individual*

Creating a *system of engagement* that maximizes value creation at every touch

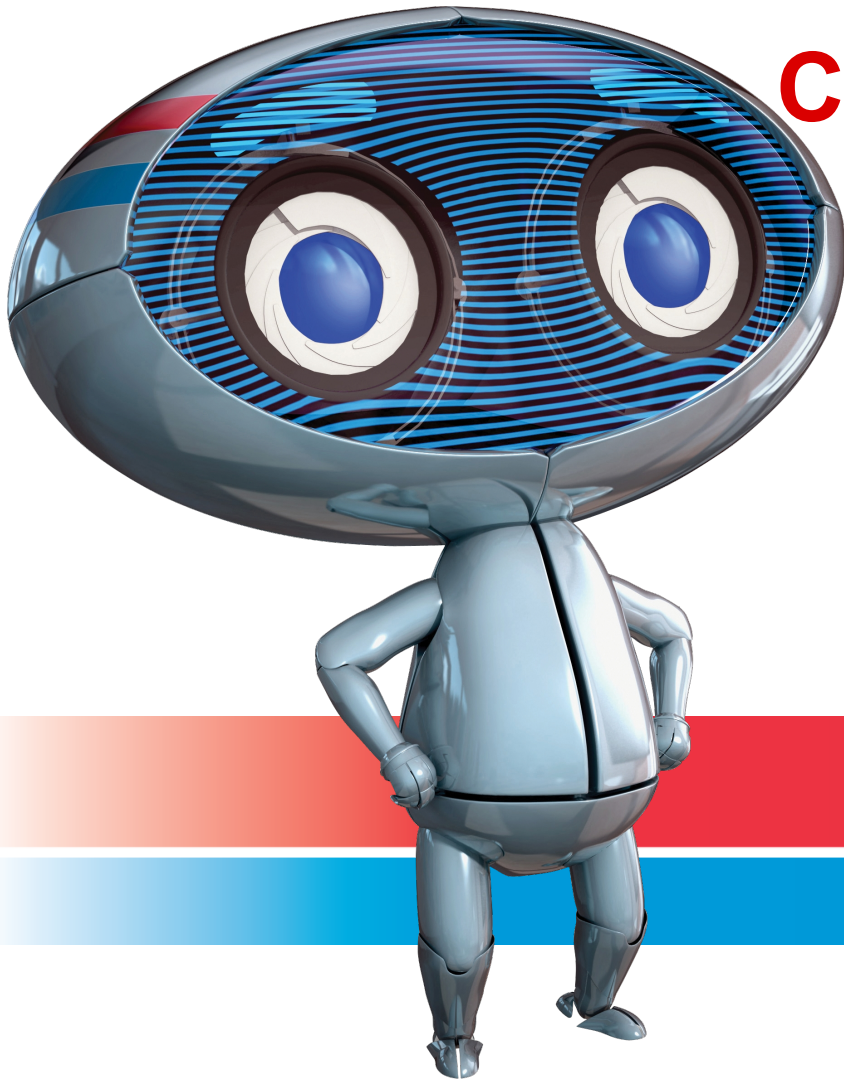
Designing your culture and brand so they are *authentically* one



Thank you



Changing Face of Data & BI in TMG



Richard Walker

19th September 2013

What We Will Cover

- Timeline for TMG – Explain changing data landscape
- How we used to operate
- How we transitioned – Stage 1
- How we transitioned – Stage 2
- What we have achieved so far
- Future opportunities
- Summary

Timeline to today –Publishing to Digital

TMG Timeline

- 1977 Launch Thames Valley Trader
- 1988 Re Brand Auto Trader
- By 1995 13 Regional Editions
- 1995 Launched Topmarques.co.uk
- 1996 Launched autotrader.co.uk
- By 1999 5 National Magazines

- 2006 Purchased 2nd Byte
- 2009 Launched Auto Trader iPhone Ap
- 2009 Purchased Autotrader-mail
- 2010 Launched Razor
- 2010 Auto Trader Mobile
- 2011 Ipad Ap launched
- 2012 Android Ap
- 2012 Purchased Deltapoint
- 2013 Windows Ap
- 2013 Closure of Publishing Divisions

Data

- Print Run / Copy Sales
- Surveys
- NRS / TGI
- Page Impressions / Hits
- Page Impressions / Hits
- By 1999 5 National Magazines

- Dealer / Manufacturer Website / response
- New Device Advertising response
- Trade to Trade auction data
- Dealer Website performance
- New platform response / audience
- New platform response / audience
- New platform response / audience
- New platform response / audience

Traditional
Magazine

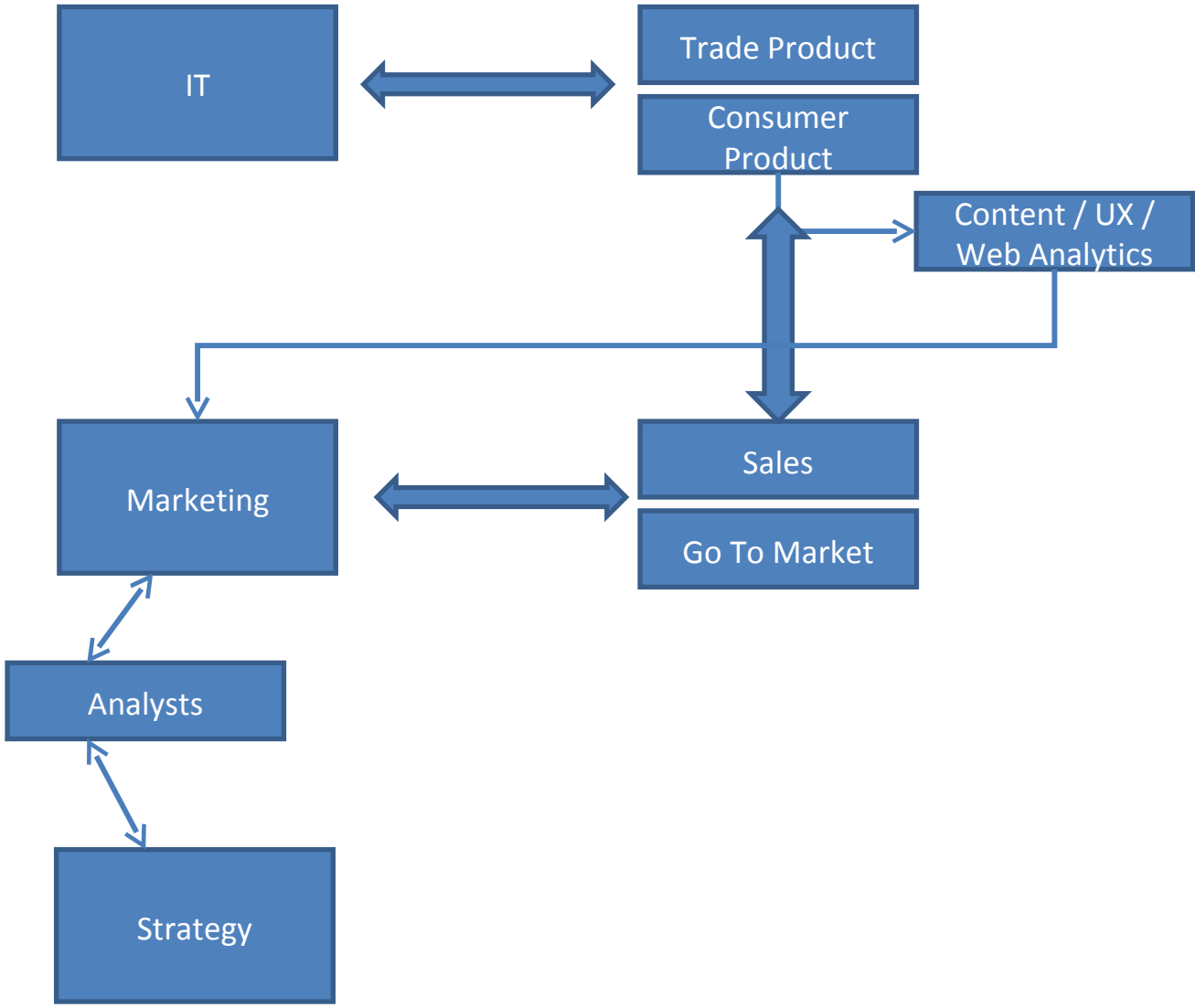
Digital
Data

130 million rows a day, mobile grown data by c40%

The Way We Operated

IT & Product Manage
Development Plans

Marketing Manage
Comms Plans



How Did We Transition – 5 Steps in 2 Stages

Stage 1

Step 1. Define
Business Goals.
Understand Current
Position

- Identify most critical needs of your business.
 - Acquire new customers?
 - Retain high-value customers?
 - Increase Share of Wallet
- Assess the procedures, policies, and technologies you have in place for capturing, analysing, and acting on customer information across your company.
 - What gaps in data
 - What gaps in skills
 - What gaps in process

Step 2. Capture
Questions that Need
Answering

- Who are my customers?
- Are there differentiated customer segments and what motivates them?
- Why are some customers leaving and why are some staying?
- What makes them satisfied and loyal?
- Are there product/service enhancements needed?
- What is the value of my customers today, and what is the going forward/projected value?
- Who are my most profitable/least profitable customers?

Changes As a Result of Stage 1 – Data Warehouse

How Did We Get The Right Data Available?



- 4 Tech “interested in Data”
- IT were programme owners
- Budget sat in IT within main budget
- Dbase maintenance
- Support to IT
- Limited Business Use



- Low investment
- Low tech
- Wrong data

- Business owns programme from definition to consumption
- Budget linked to strategic goals
- Remained in IT
 - Facilitate
 - Maintain
 - Manage
 - *Now 1 team*
- Programme Delivery Manager
- ETL Developers
- Cognos Report writers

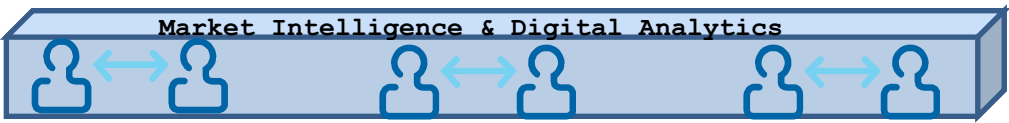


- Integral to Business success

Changes As a Result of Stage 1 – Process Management

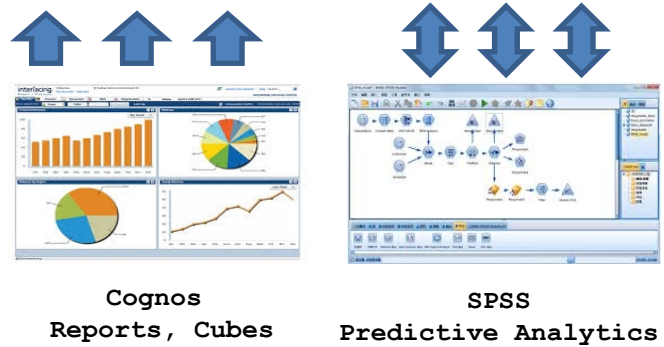
How Did We Unlock Access To The Data?

Cross Functional



Analysts are point of contact for business and capture requirements working with DW Developers

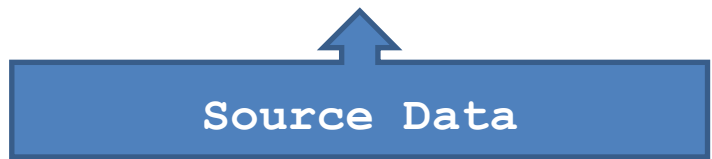
Product & Technology



Layer of self serve



Aim for single repository



Source Data – load

Changes As a Result of Stage 1 – Skills / People

How Did We Unlock Value In The Data?

Team Skills	Tools	Support
<p>MI – Business / Marketing Graduates -8</p> 	<p>Excel Access Hitbox</p>	<p>Data Warehouse Cognos reports</p>
<p>Maths & MSc Statistics</p>  <p>Graduate Diploma in Mathematics and Statistics</p> <p>MI = 5 Digital Analytics = 6</p>	<p>Excel Minitab SPSS Omniure</p>	<p>Data Warehouse Cognos reports Cubes Query Studio SPSS</p>
<p>Data Scientists ?? Technical Developer / Mathematics degree</p> 	<p>??</p>	<p>??</p>

How Did We Transition – 5 Steps in 2 Stages

Stage 2

Step 3. Predict

- Do small scale POC
- Tackle a single issue
- Do it with cross functional team
- Have clear required outcome
- Measure impact

Step 4. Act

- Work with business unit to change approach through POC
- Experiment on model findings – test and evolve
- Feed back findings from teams & customers into model

Step 5. Expand

- It is evolutionary change, cultural as much as anything.
- Look to involve more business functions
- It can quickly deliver significant, even game-changing business improvements:
 - Be careful not to run before you can walk
 - Refine how you measure progress

What Have We Achieved So Far With SPSS – POC Challenge

Business Challenge	Action Taken	Strengths / Benefits	Weakness / Issue	Impact of SPSS
POC - Customer Retention	3 weeks build of Excel model to predict churn, - Achieved 72% accuracy.	-Proved to the business customers could be saved before cancelling -Conversations with customers were positive & focussed	-Time consuming to run -Not scalable -Broke easily -learning loop very difficult to manage	-2 day build -90% accuracy -Runs automatically -Operationally scalable -22% decline in cancellations
Value Leakage	Review how discounts given to save business	-Right value offered depending on customer profile -Consistency across team -Knew who to say no to	-Culturally challenging for team -Change commission & target approach	Stopped giving value away Focussed discounts based on customer value
Growing Product Penetration	Upsell Analysis added to summary of customer performance	-Ensures right conversation is had with customer -Highest value opportunity -Better targeting / forecasting -Reduces churn risk -Value based packaging & pricing	Change to sales approach Commission target evaluation	Enables effective targeting Improves customer satisfaction Improves team morale

Telesales Performance Report – Predictive Model

Predictive modelling to calculate likelihood of churn & proactively prevent it from occurring

Dealer summary performance:


Metric	Dealer (June 2013)	Target	Diff	Status
Weekly value	£144		N/A	N/A
Yield	£8.50		N/A	LOW
Spend per stock	£71.95		N/A	N/A
Stock volume	9	15	-44%▼	HIGH
Stock contract	8	61	-87%▼	N/A
Stock contract utilisation	108%	25%	325%▲	N/A
average stock price	£6,124	£5,474	12%▲	HIGH
% under priced stock	41%	547356%	-100%▼	N/A
% neutrally priced stock	47%	547356%	-100%▼	N/A
% over priced stock	12%	547356%	-100%▼	N/A
Dealer Portal logins	18	13	41%▲	LOW
Response Tracker logins	1	6	-83%▼	N/A
Image penetration	90%	90%	0%▼	N/A
Average number of images	7.0	7.0	0%▲	N/A
Adverts with attention grabbers	0	N/A	N/A	HIGH
Number of days with AT			N/A	N/A
Number of cancellations			N/A	N/A
Number fo retracted cancellations			N/A	N/A
Search Appearances per stock	4,939	2,953	67%▲	N/A
Full page adverts per stock	227	135	67%▲	N/A
Dealer website clicks per stock	4.6	4.7	-3%▼	N/A
CTR: SAs to FPAs	4.6%	4.6%	0%▲	N/A
CTR: FPAs to website clicks	2.0%	3.5%	-42%▼	HIGH

Summary of metrics to enable quick analysis and summary of how to approach call with dealer.
Key targets prioritised based on what will improve the performance most.

Revenue Leakage

Predictive modelling to give best offer available to optimise likelihood of dealer accepting & getting best response

CHURN RISK: 84%



BANDING: B

DISCOUNT: 20%

KEY AREAS OF FOCUS:

focus 1

focus 2

focus 3

OPPORTUNITIES:

opportunity 1

LG additional Leads: 11.0% uplift

opportunity 2

SRG uplift: 8.0% uplift

Product & Value message

What Have We Achieved So Far With SPSS – Business Driven

Business Challenge	Action Taken	Strengths / Benefits
What is most efficient way to manage customers	Calculated cost to Serve Linked to key customer behaviour around engagement, payment, product take up downgrades..	<ul style="list-style-type: none"> -enabled us to move customers from field to telesales with no revenue risk -reduced contact cycles for those not needing support -reallocate resource more effectively
Who are key targets for latest product launch	early adopter analysis. Profiling of current product mix Behaviour analysis around product usage Needs analysis for that product	<ul style="list-style-type: none"> Highly successful launch Revenue early Motivated Sales team Learn with those most likely to buy – create value messages
Very resource heavy in creating KPI packs / reporting	Built all key reports in SPSS using larger data outputs from DW. Merging with Data not yet in DW	<ul style="list-style-type: none"> -Moved from segment specific to dealer specific -Reduced build time from days to hours -Easier to add new metrics -Automates reporting from raw files - Speed at which we can turn around bespoke analysis for Dealers/Groups

Future Opportunities With SPSS

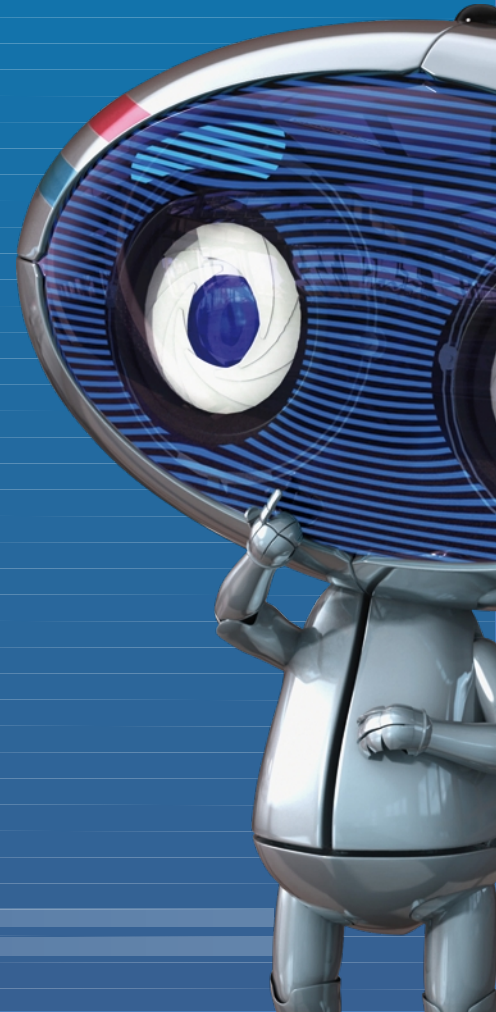
Business Challenge	Opportunity / Benefit- SPSS
Large Customer want more Bespoke Reporting	<ul style="list-style-type: none">- More sophisticated & tailored Reports “bespoke templates”- Quick turnaround on large data volume- Makes data available to insight teams direct
Proving the value of products to customers	<ul style="list-style-type: none">-More accurate forecasts-Quick and easy (for Maths Grads)-Links up to the new Data Warehouse software Cognos 10, enabling smooth process of data capture, analysis & feeding back into Dealer Portal Next Generation to target dealers with personal messages & Upsell
Most efficient use of Marketing spend – is the targeted buying working	<ul style="list-style-type: none">-Behavioural segmentation can cost up to £70k+ via marketing agency – they don’t know your business as well as your analysts will-Measure impact of your advertising on key business performance metrics – test and learn
Reduction of Bad Debt – particularly in recession	<p>Customer profiling – enables you to manage bad debt risk differently</p> <ul style="list-style-type: none">- Plan with customers payment schedule based on how they advertise

Not to mention on site personalisation

Summary

- Longest time to change was structure / culture
- When data was available biggest challenge was managing demand
- Business has to buy into the change & drive it
- Don't try and wrestle control away from people, analytics supports all functions and you can control the output without owning it 100%.
- POC was manageable but relevant
- Benefits have to be clear as there are loads of “interesting” things that you can do
- Payback will be easy to prove

Thank you
Questions?



IBM Social Media Analytics:

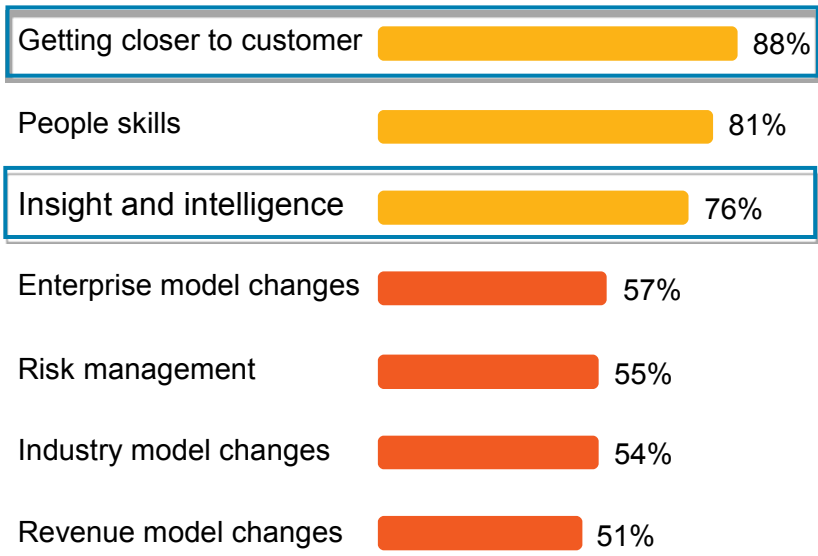
Create Relationships. Build Advocacy. Improve Loyalty



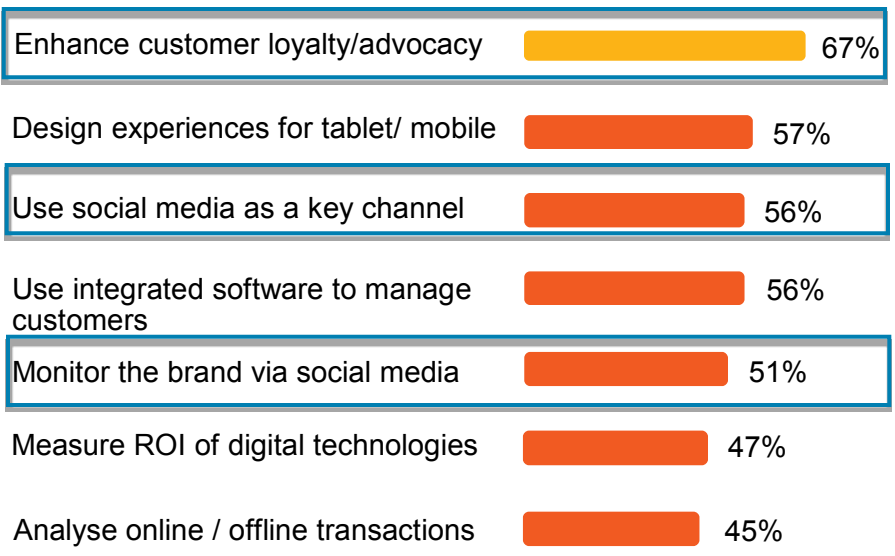
Companies are focusing even more on Customers and Social Channels

IBM C-Suite studies

CEO Focus Over Next 5 Years



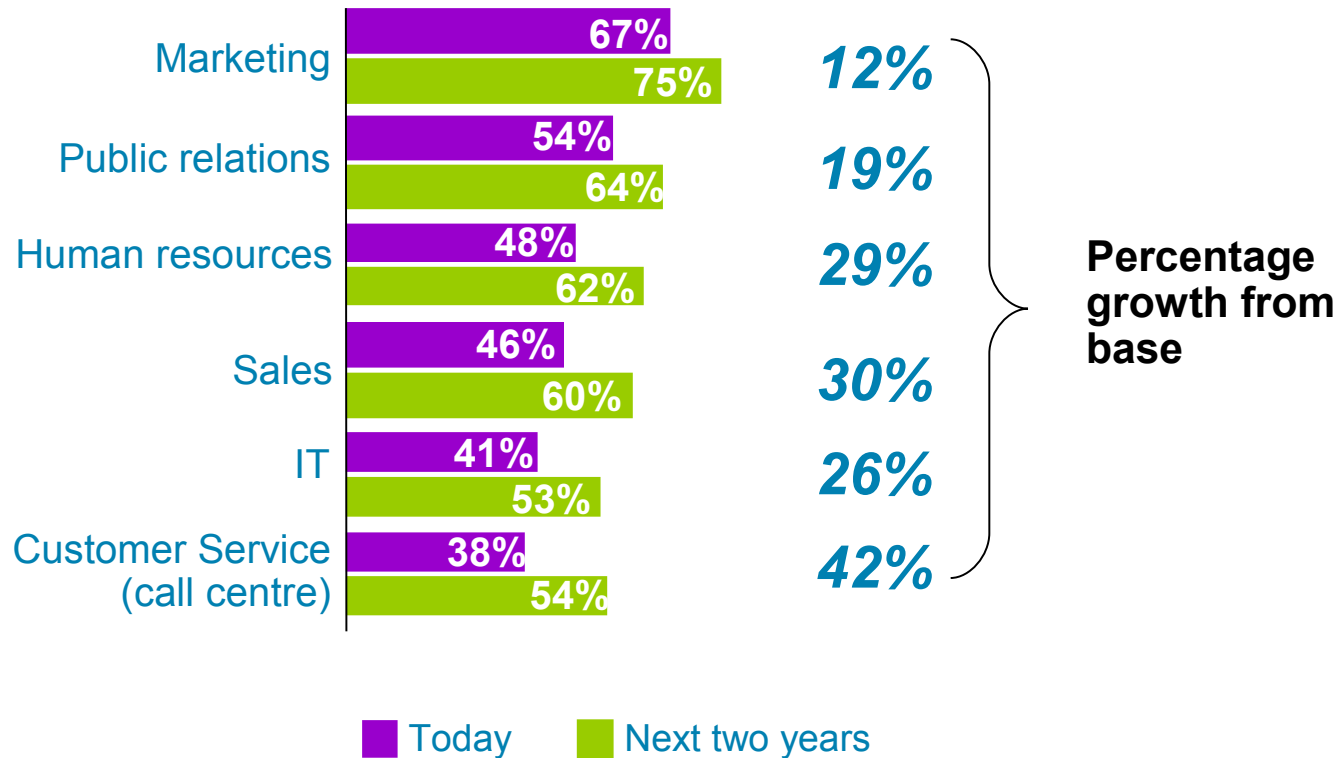
CMO 5 Year Focus Toward Digital



Sources: IBM's 2011 Global CMO Study: From Stretched to Strengthened (2011) & IBM's 2010 Global CEO Study – Capitalizing on Complexity

Marketing will continue to be the focus but; moving ahead, social activities will continue to spread across the organisation

Top functions applying social approaches



IBM Social Media Analytics:

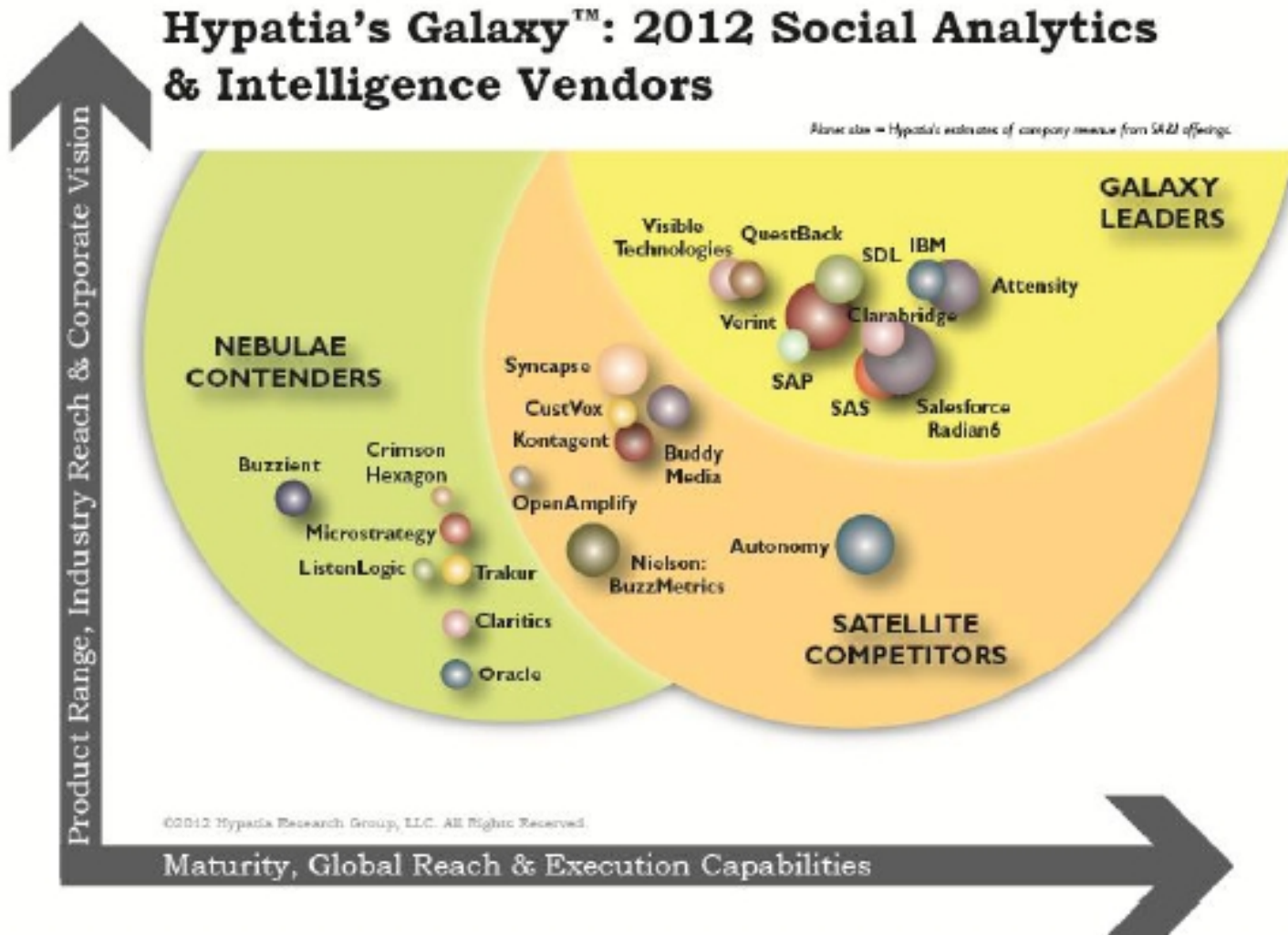
Understand sentiment and digital influencers across all aspects of your organisation

- **Assess** Social Media Impact
- **Segment** Social Media Audiences
- **Identify** Relevant Relationships
- **Discover** new ideas...and risks

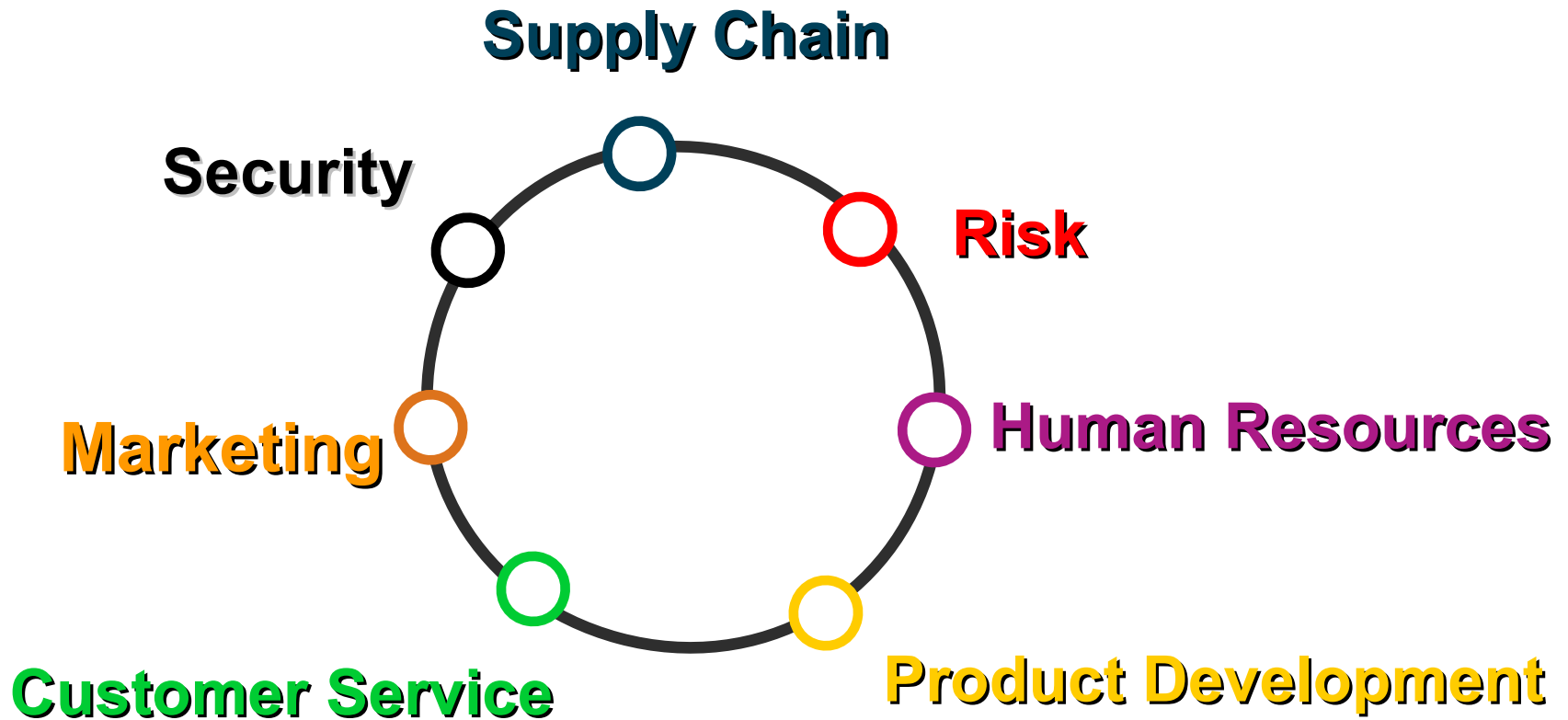


IBM is a leader in Social Media Analytics

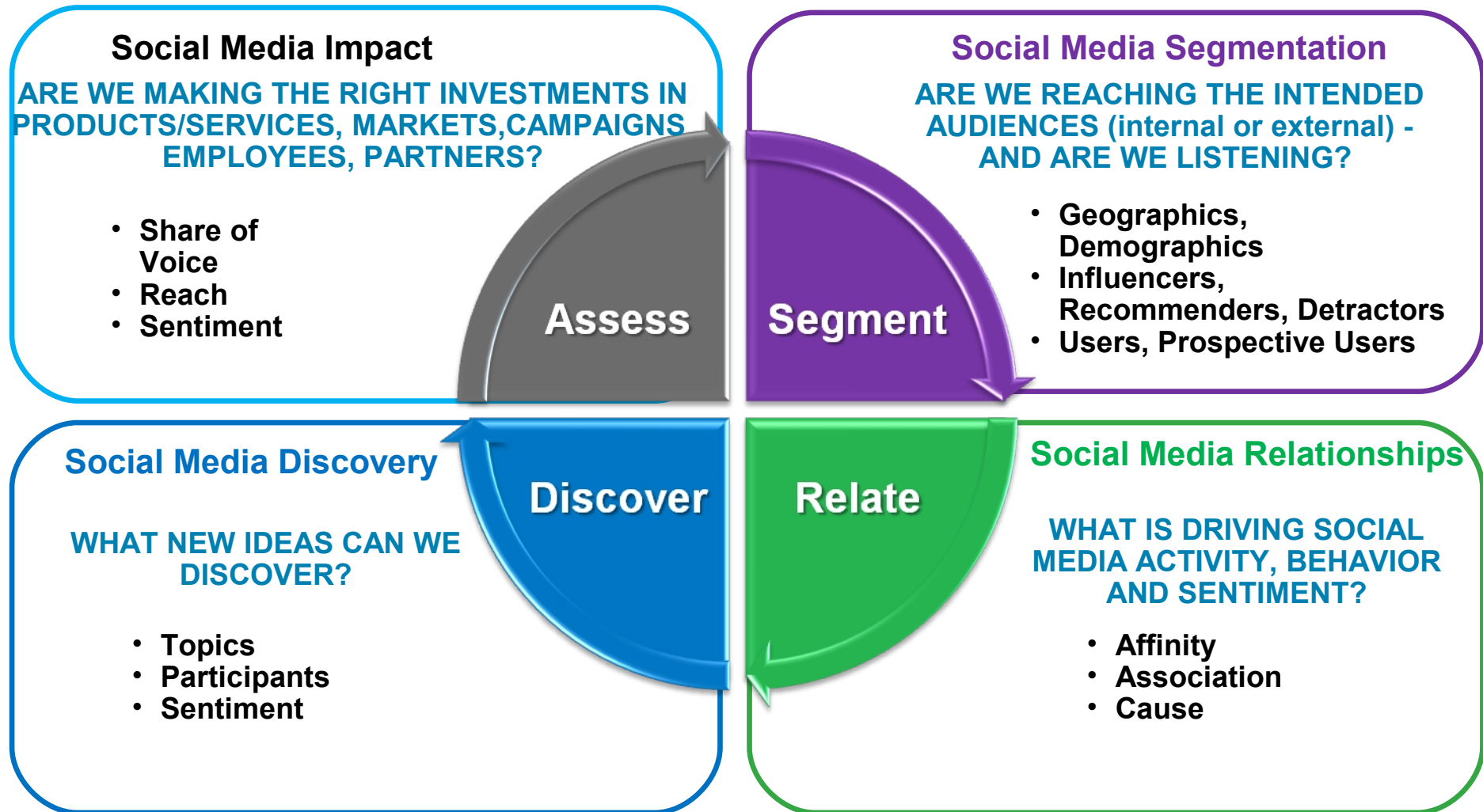
Figure 14: 2012 Aggregated Galaxy Scores: Social Analytics & Intelligence



IBM Social Media Analytics targets a Multitude of Business Issues driving actions not just listening



Our **Framework** is **Key** to: Product Development, Partnering & Customer success – *Where are you, today?*



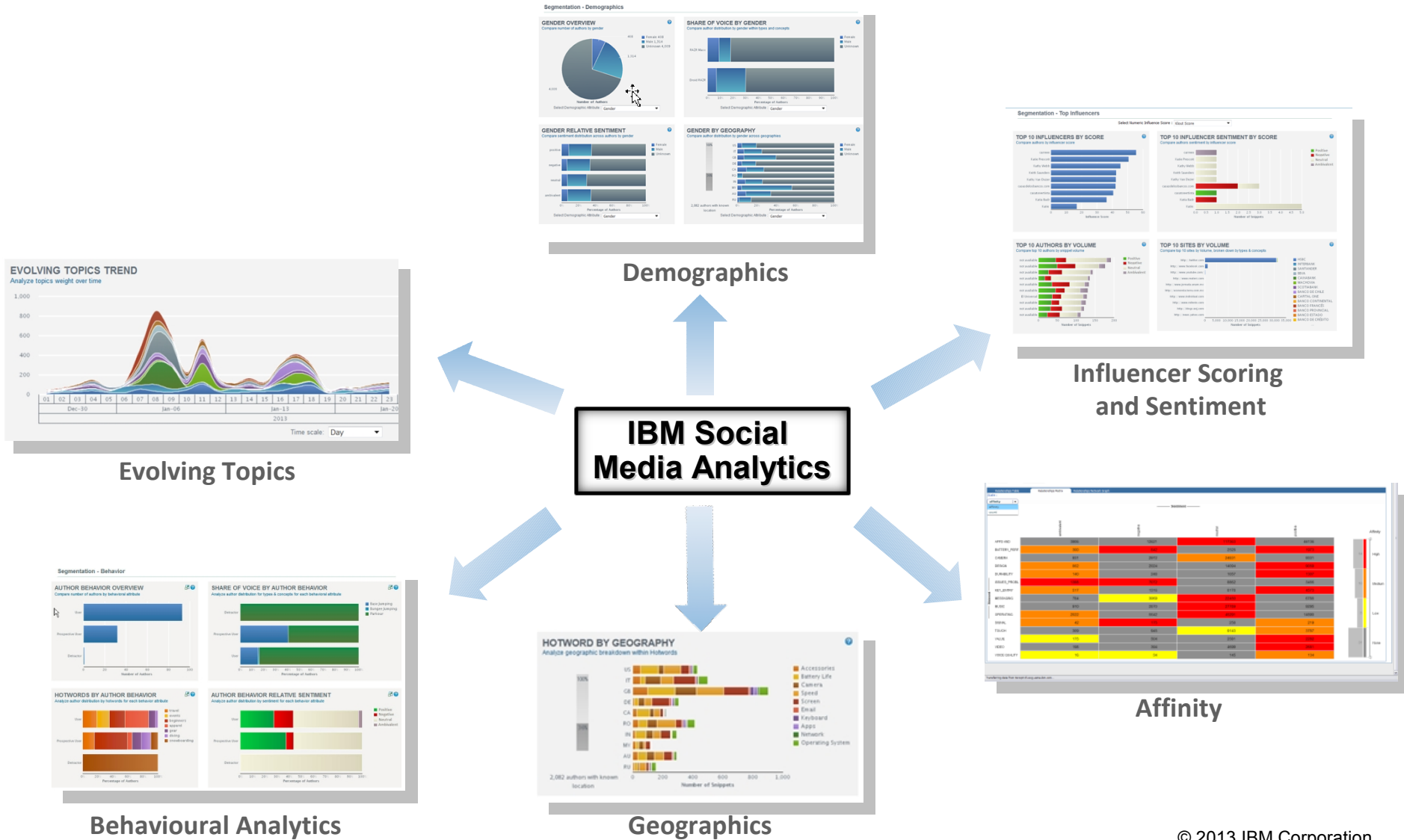
Social Media Analytics a best in breed solution from IBM

IBM Social Media Analytics

- Deployment options: SaaS or On-Premise
- IBM Research assets for demographic, geographic and behavioral analytics
- Big Data capability built
- SPSS advanced analytics for best in class sentiment analysis and segmentation
- Six distinct sentiment languages:
English, German, French, Chinese, Spanish & Dutch
- Influencer analysis
- Prebuilt dashboards that are...
- ...User editable and configurable dashboards



IBM Social Media Analytics provides rich information for Actionable Insights



Assess Social Media Impact

Are we successful? Where can we do better?

Situation Examples:

- Improve brand reputation with customers, employees, partners
- Assess investment in marketing campaigns, employee programs
- Understand impact of product features

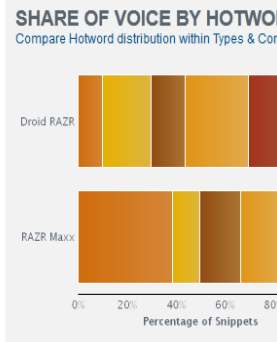
Measures:

- Share of voice: Relative volume
- Reach: Distribution across sources
- Influencer analysis
- Sentiment: Distribution by sentiment
- Geographical differences

Actions

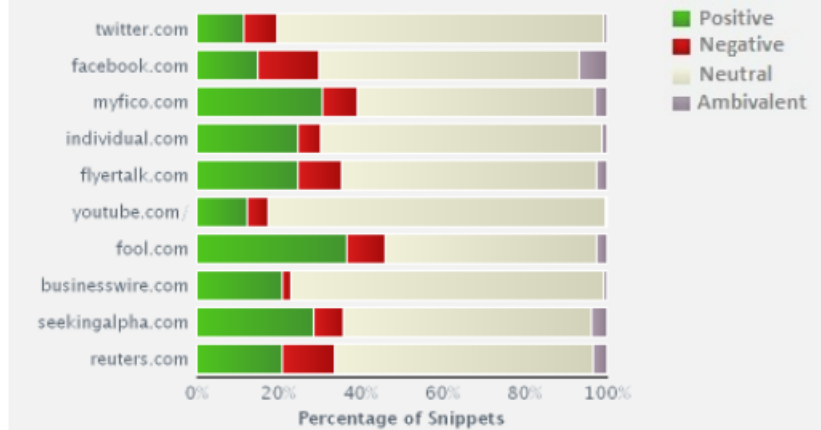
- *Improve message to market*
- *Change marketing mix*
- *Update employee programs*
- *Introduce new product features*
- *Target new suppliers*

Social Media Impact - Hotwor



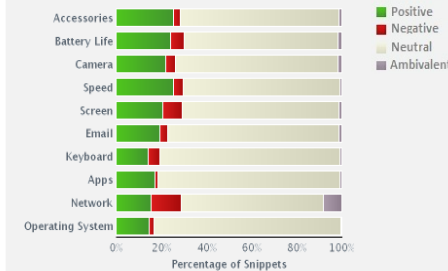
SENTIMENT REACH BY TOP 10 SITES

Compare sentiment distribution within top 10 sites



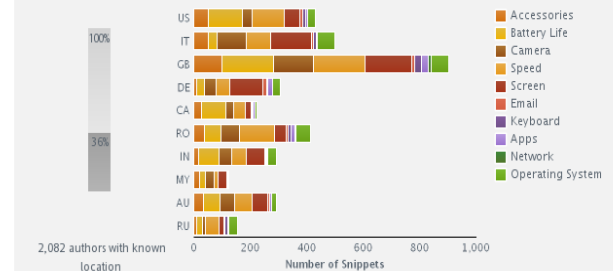
HOTWORD RELATIVE SENTIMENT

Compare sentiment distribution within Hotwords



HOTWORD BY GEOGRAPHY

Analyze geographic breakdown within Hotwords



Segment Social Media Audiences

Are we hitting target audience? Have we identified potential new target?

Situation:

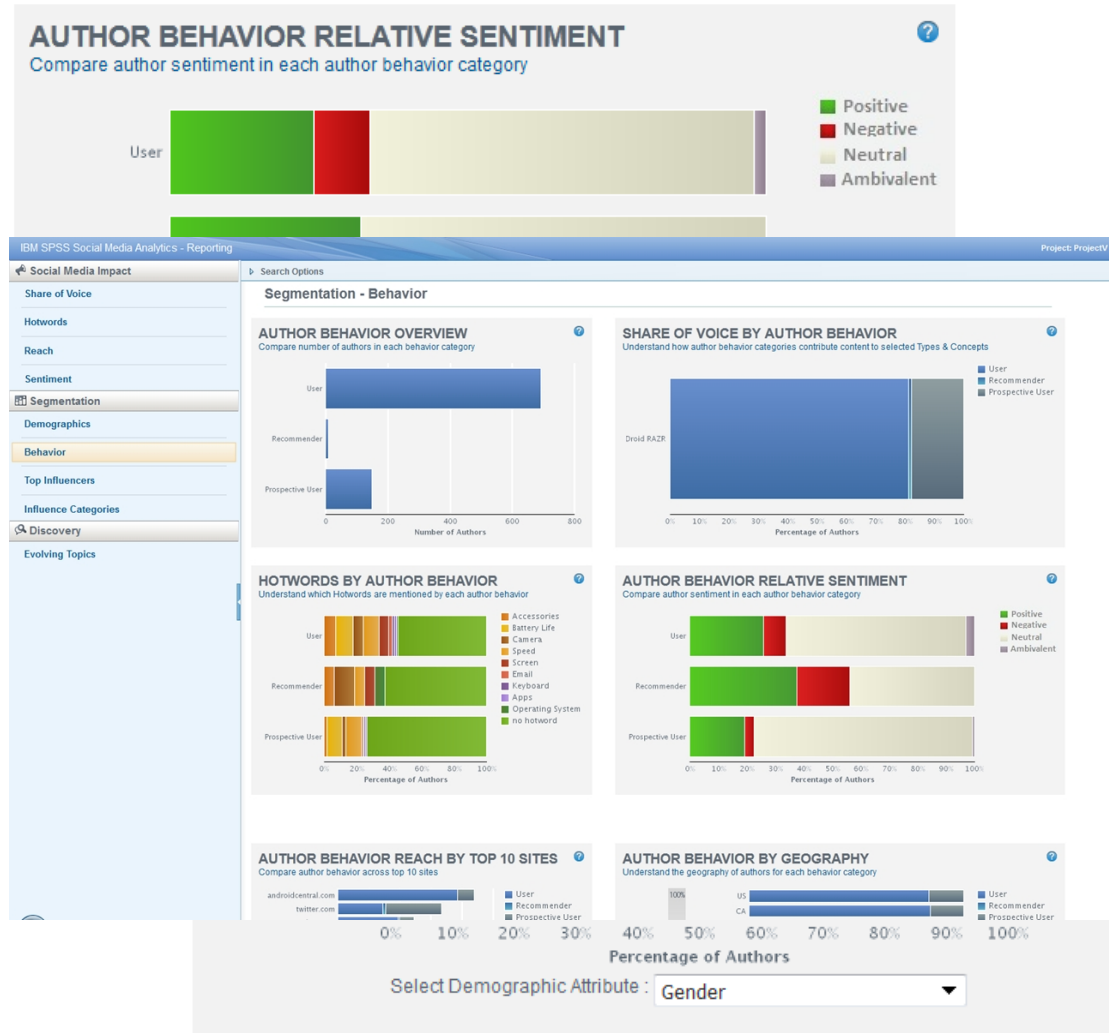
- Enter new market or grow target market share
- Improve market/sales effectiveness
- Recruit top talent
- Identify Supply Chain disruptions

Measures:

- Demographics - context
- Influencer impact
- Author behavior patterns
- Geographic differences

Actions:

- *Improve targeted programs*
- *Move to second supplier*
- *Change marketing mix*
- *Plan new recruitment strategies*



Identify Relevant **Relationships**

Is there strong grouping of negative or positive terms to drive new approaches?

Situation:

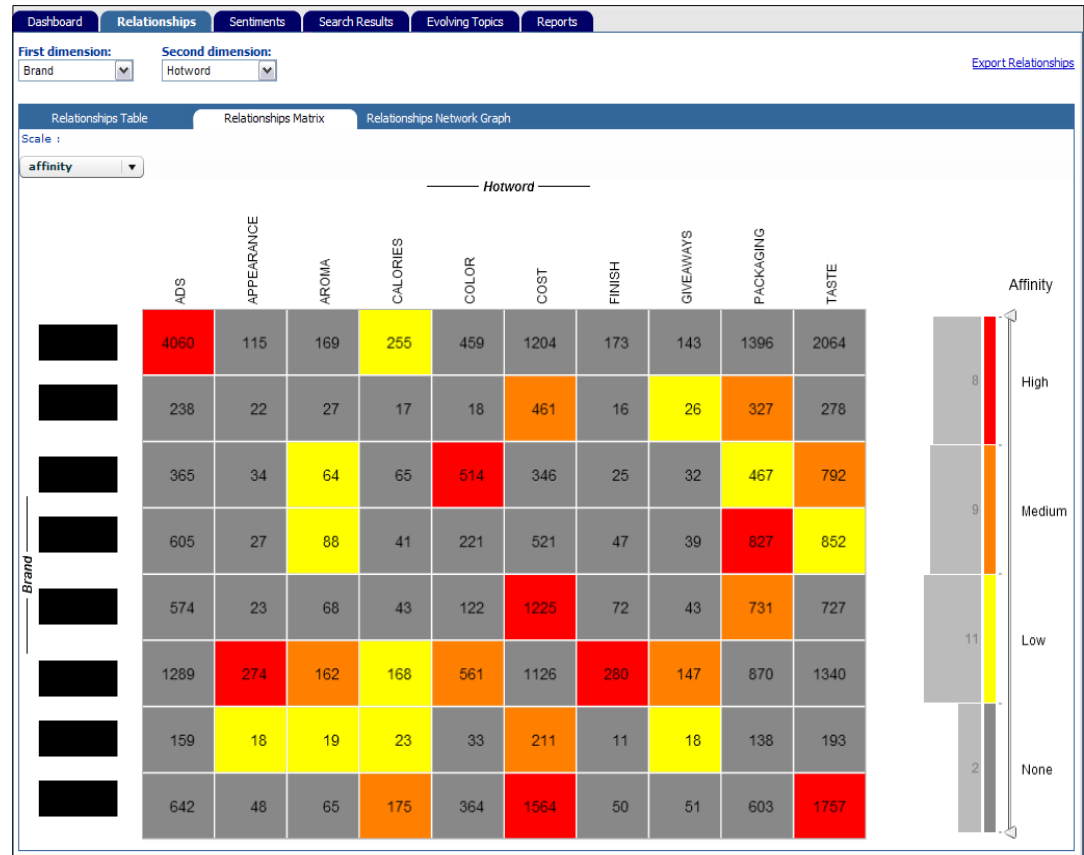
- Grow market share vs. competition
- Improve employee satisfaction
- Select new vendors

Measures:

- Product Feature Affinity
- Employee Sentiment Affinity
- Vendor Reputation Affinity
- Competitive analysis

Actions

- *Better target messaging*
- *Change marketing mix*
- *Partner risk identification*
- *Update employee programs*
- *Introduce new features*



Discover new ideas...and risks

What we did not know about our model - What are my next steps?

Situation:

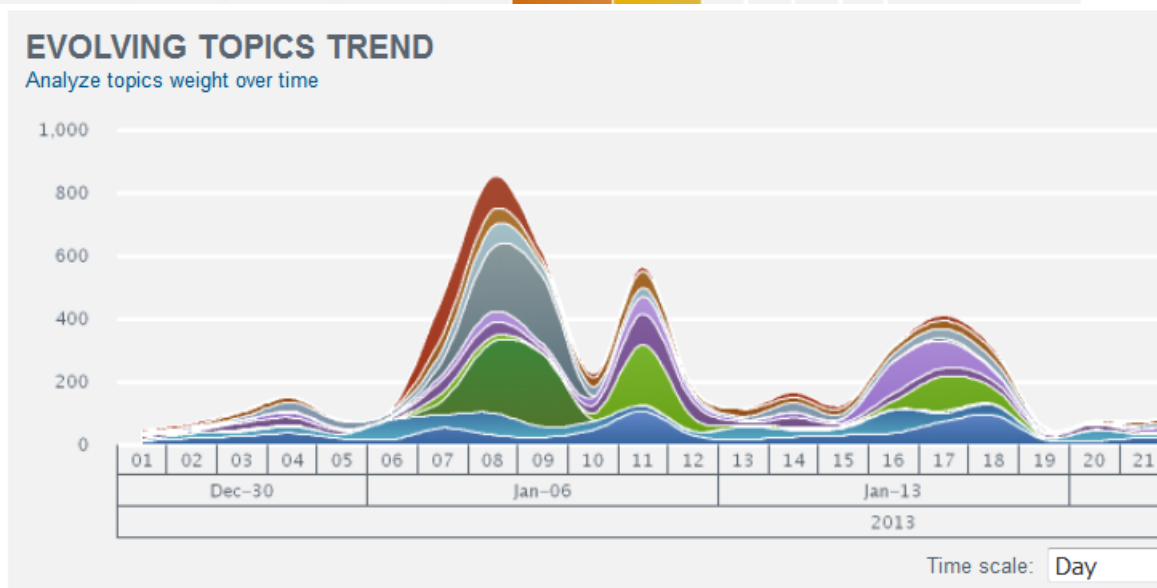
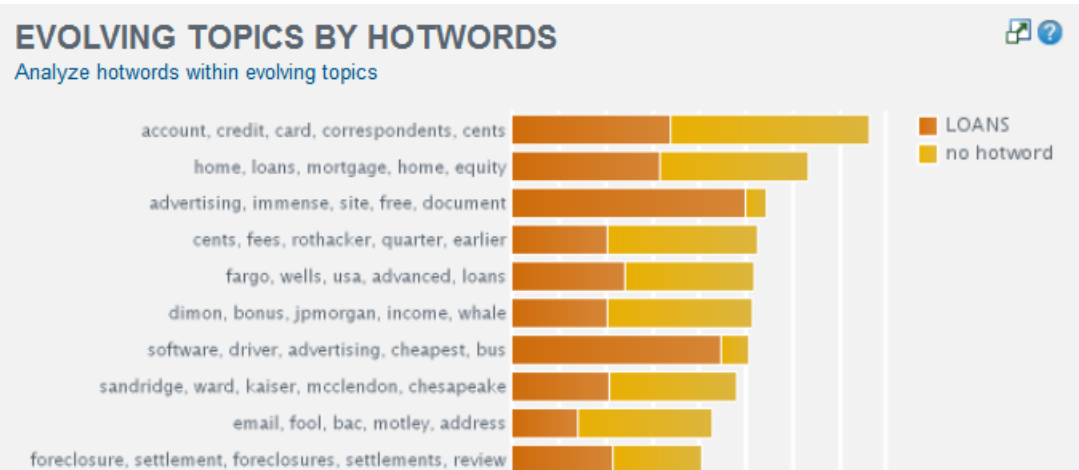
- Expand product lines
- Understand the “market” voice
- Identify brand risks
- What don’t we know

Measures:

- Emerging topics – share of voice
- Emerging topics – sentiment
- Emerging topics – reach
- Emerging topics – geography

Actions:

- *Identify new market, product etc.*
- *Improve market positioning*
- *Change marketing mix*
- *Update model*
- *Introduce new features*

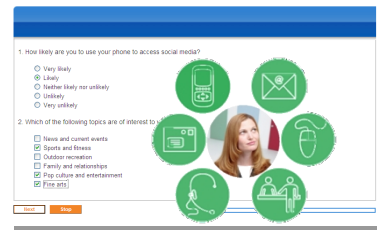
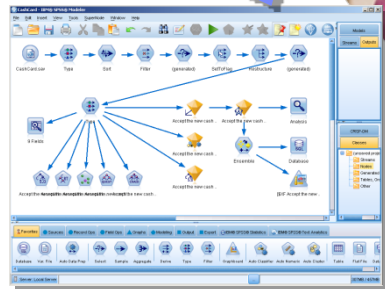
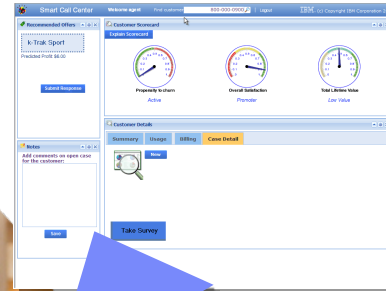


DEMO

IBM Social Media Analytics

Generate ROI: Social + Surveys + Predictive Analytics

From anonymous insights to specific actions with specific people



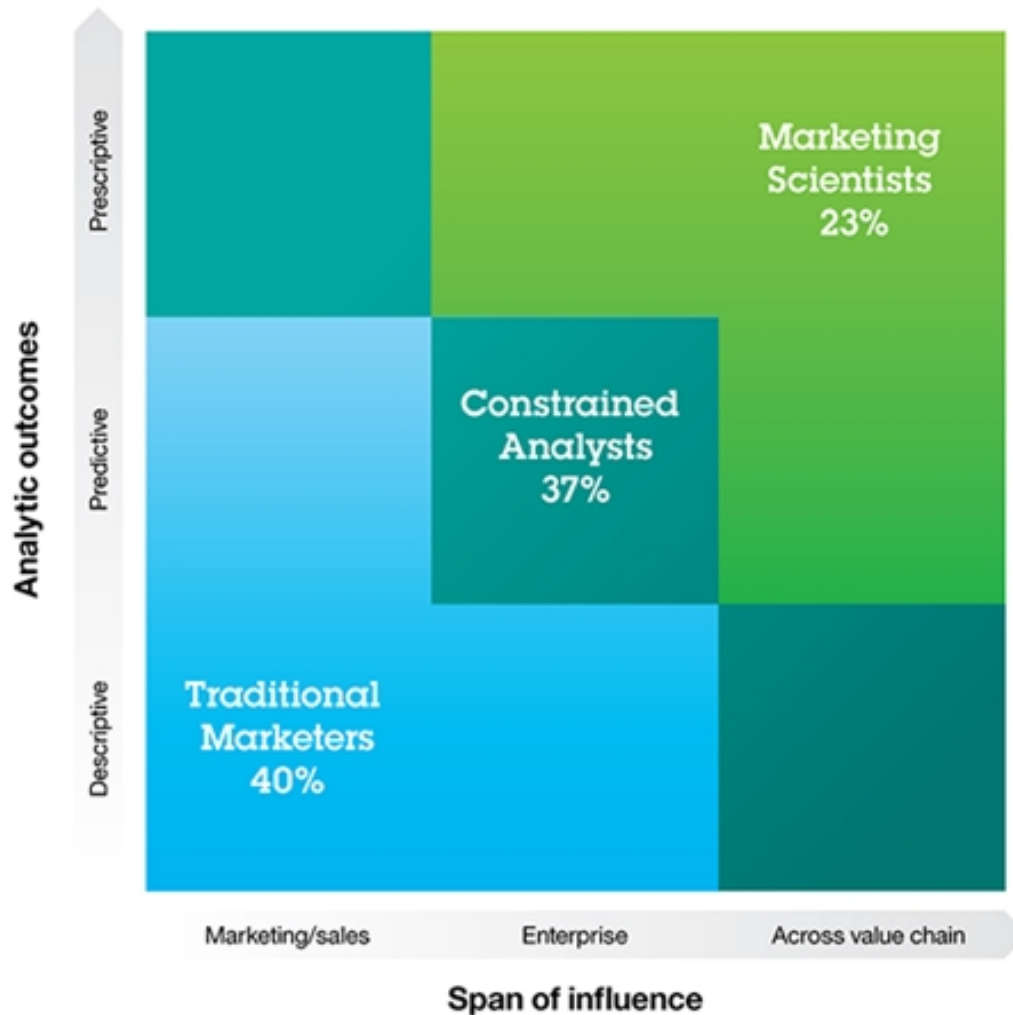
Thank
YOU

Customer Analytics Executive Briefing Summary



Where does your organisation sit?

More than 70 percent of chief marketing officers feel underprepared to deal with the data explosion.



A small group sits at the front edge of marketing science, using advanced analytics to shape actions beyond marketing and sales.

*Source: "From Stretched to Strengthened: Insights from the Global Chief Marketing Officer Study." IBM Institute for Business Value, October 2011. <http://www.ibm.com/cmstudy>

Enhanced 360° View of the Customer

The journey that a customer takes with your company is an individual one. Each customer requires a customized map with a guide who understands exactly where he wants to go—ensuring a smooth experience along the way. Can your company provide every customer with his own personal guide? And can your company chart a course to success?



Treasure Hunting?

Struggling to find the right information across scattered sources drains the productivity of your customer-facing professionals and frustrates customers.

1 Need to enable CUSTOMER-FACING PROFESSIONALS

Jumping Ship?

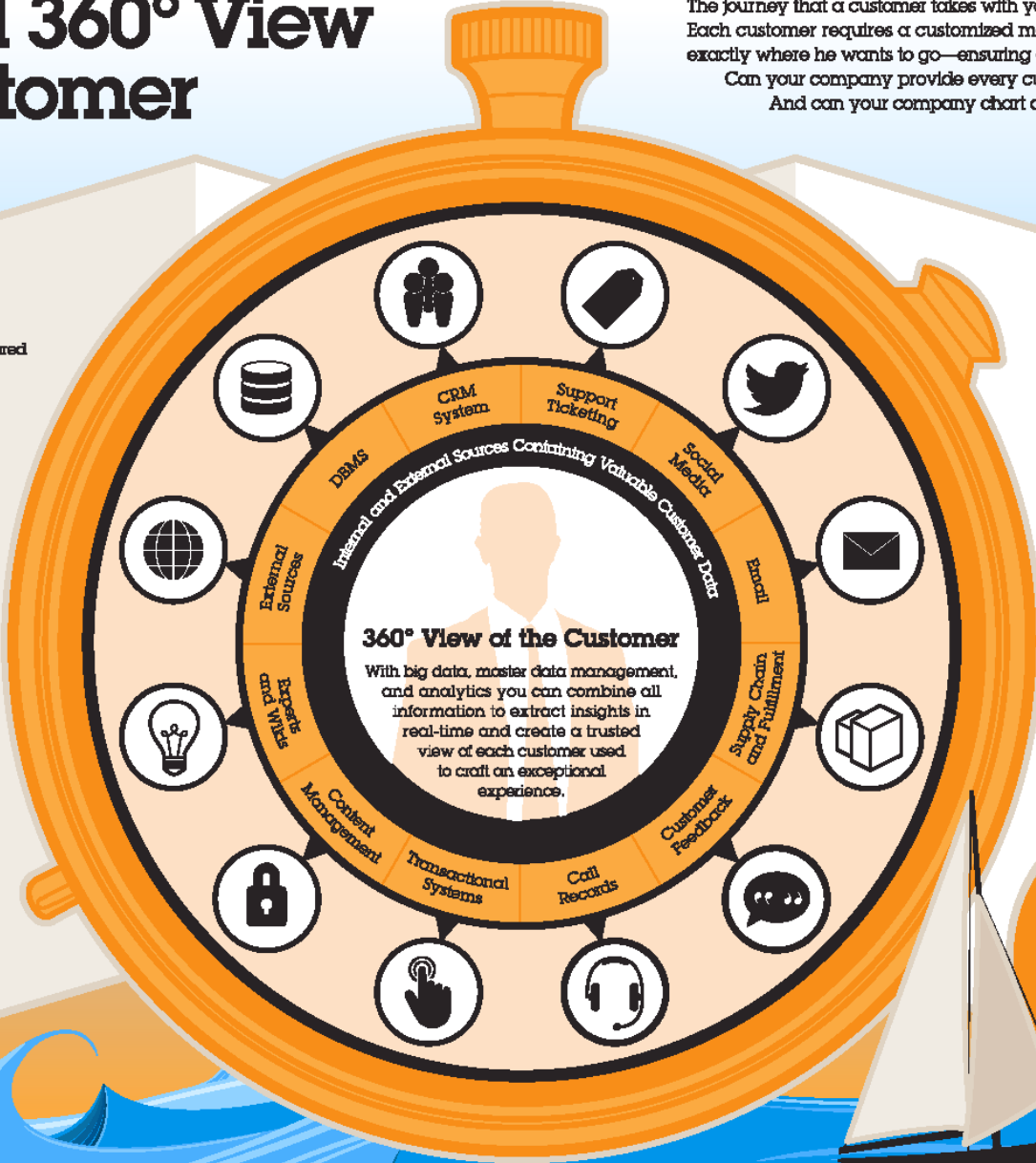
Failing to meet customers' growing expectations negatively impacts your bottom line as high-value customers respond with disloyalty and defection.

2 Need to understand THE INDIVIDUAL CUSTOMER

Missing the Boat?

Without deeper insights into your customers by analyzing sentiment, trends and changing needs, your business strategy could be dead in the water.

3 Need to understand CUSTOMERS AS A WHOLE



THE DESTINATION

- 1 Go the Extra Mile**
 - Quickly resolve customer issues
 - Proactively address needs
 - Initiate upsell & cross-sell talks
 - Adapt recommendations
 - Improve customer experience
- 2 Smooth Sailing**
 - Create lasting relationships
 - Improve loyalty scores
 - Boost value over competitors
 - Implement effective self service
 - Increase customer's lifetime value
- 3 Your Ship Comes In**
 - Track customer sentiment
 - Predict consumer demand
 - Anticipate future behaviors
 - Fine-tune products and services
 - Inform marketing activities

Winds of Change? Adjust Your Sails!

- Dynamic customer views
- Context shifts by user's roles
- Updates instantly appear
- Reflects newest information
- User-configurable workspace
- New sources added as they come online

Thank you for attending

